

Date: December 13, 2017**To:** Board of Directors**From:** Neil McFarlane **Subject:** RESOLUTION 17-12-87 OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRIMET) AUTHORIZING A CONTRACT WITH STELLAR J CORPORATION FOR THE RUBY JUNCTION SHOP MODIFICATIONS PROJECT**1. Purpose of Item**

The purpose of this item is to request that the TriMet Board of Directors (Board) authorize the General Manager to execute a contract with Stellar J Corporation (Stellar J) for the Ruby Junction Shop Modifications Project (Project).

2. Type of Agenda Item

- Initial Contract
- Contract Modification
- Other _____

3. Reason for Board Action

Board approval is required for goods and services contracts obligating TriMet to pay in excess of \$1,000,000.

4. Type of Action

- Resolution
- Ordinance 1st Reading
- Ordinance 2nd Reading
- Other _____

5. Background

TriMet's Ruby Junction Light Rail Vehicle (LRV) maintenance facility requires several structural improvements to be able to effectively continue maintaining TriMet's five different types of LRVs. The Project is being funded by the Portland Milwaukie Light Rail grant from the Federal Transit Administration (FTA). Generally, the scope of work includes replacing in-floor lifts with new lifts that are compatible with all five LRV types, removing three existing bridge cranes and replacing with newer, more heavy-duty bridge cranes and some other facility renovations that are necessary to expand the maintenance capability at Ruby Junction to be able to effectively maintain all five types of LRVs.

At its December 2016 meeting, the Board approved Resolution 16-12-72, authorizing TriMet to execute a contract with Convergent Pacific, LLC in the amount of \$475,000 for design services for the Project. Subsequently, at its October 2017 meeting, the Board approved Resolution 17-10-71, authorizing TriMet to increase the contract amount with Convergent Pacific, LLC to \$600,000 for additional design services.

6. Procurement Process

A competitive Invitation to Bid (ITB) process was used to select the contractor for the Project. The ITB was issued on October 18, 2017, and bids were originally due on November 15, 2017. The due date was extended to November 22, 2017, due to the large number of questions related to the specifications and drawings. A total of 1,742 vendors were notified of the ITB and 74 vendors downloaded a copy.

Prior to the ITB being issued, vendor outreach was performed through issuance of a pre-solicitation notice to the same pool of 1,742 vendors. This notice provided a description of the upcoming ITB and attempted to give potential Disadvantaged Business Enterprise (DBE) certified contractors and subcontractors advance notice of the pending solicitation as well as provide potential bidders an opportunity to begin inquiring about equipment suppliers. Additional vendor outreach was performed through publication of the ITB notice in the Portland Tribune; notification of Abadan Regional Plan Center, Bid Ocean, Daily Journal of Commerce Plan Center, Eugene Builders Exchange, iSqFt, Oregon Contractor Plan Center, National Association of Minority Contractors – Oregon, Prime Vendor, Inc., Salem Contractors Exchange, Seattle Daily Journal of Commerce, Southwest Washington Contractors Association, and Spokane Regional Plan Center; and through a pre-bid meeting and job walkthrough at the Ruby Junction Maintenance Facility attended by nine vendors held on October 26, 2017.

On the bid due date, the following bids were received:

| Contractor | Stellar J | 2KG Contractors | Raimore Construction | Stacy and Witbeck |
|------------|-------------|-----------------|----------------------|-------------------|
| Bid Price | \$3,197,555 | \$3,200,000 | \$3,565,920 | \$4,190,000 |

TriMet's independent cost estimate for the project was \$2,837,802.

Stellar J was found to be the lowest responsive and responsible bidder. Accordingly, staff recommends award of a contract to Stellar J.

As is typical for construction and maintenance work, unforeseen circumstances may occur that require changes to the scope of work for the Project. The attached Resolution includes authority for potential future change orders up to \$639,511, or 20 percent of the contract amount.

7. Diversity

TriMet issued a pre-solicitation notice in an attempt to provide advance notice of the pending solicitation as well as provide potential bidders an opportunity to begin inquiring about equipment suppliers. In its bid, Stellar J indicated that it would utilize DBE contractors for

approximately six percent of the work. The remainder of the work will be performed by Stellar J employees. Among Stellar J's workforce of 47 employees, approximately 26% are women and 13% are minorities.

Since this is a low bid contract, TriMet has limited input into the subcontractors selected to work on the Project. However, TriMet will work with Stellar J to determine if there are additional opportunities to engage certified firms and encourage them to provide those opportunities to certified firms to work on this Project.

8. Financial/Budget Impact

The contract amount is included within the Capital Program budget for the Project.

9. Impact if Not Approved

If the Board decides not to approve this contract, TriMet's ability to continue maintaining all five types of LRVs will be impacted and work stoppages will worsen in FY19 when Type 5 trucks reach condemn limits and enter into the tire replacement/truck rebuild cycle. This Project is needed to fulfill fleet state of good repair/rebuild requirements, and therefore, it is recommended that the Board approve this contract.

RESOLUTION 17-12-87

RESOLUTION OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRIMET) AUTHORIZING A CONTRACT WITH STELLAR J CORPORATION FOR THE RUBY JUNCTION SHOP MODIFICATIONS PROJECT

WHEREAS, TriMet has authority under ORS 267.200 to enter into a contract with Stellar J Corporation for construction of the Ruby Junction Shop Modifications Project (Contract); and

WHEREAS, the total amount of the Contract shall exceed \$1,000,000; and

WHEREAS, the TriMet Board of Directors (Board), by Resolution dated October 25, 2017, adopted a Statement of Policies requiring the Board to approve goods and services contracts obligating TriMet to pay in excess of \$1,000,000;

NOW, THEREFORE, BE IT RESOLVED:

1. That the Contract shall be in conformance with applicable laws.
2. That the General Manager or his designee is authorized to execute the Contract in an amount not to exceed \$3,197,555.
3. That the General Manager or his designee is authorized to execute change orders to the Contract in a total amount not to exceed \$639,511.

Dated: December 13, 2017

Presiding Officer

Attest:

Recording Secretary

Approved as to Legal Sufficiency:



Legal Department